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UNCLAS SECTION 01 OF 02 BRIDGETOWN 000369

SIPDIS

WHA/CAR FOR JACKIE ROSHOLT
EEB/IFD/OIA FOR HEATHER GOETHERT
EEB/IFD/OIA FOR KIMBERLY BUTLER
L/CID FOR PATRICK PEARSALL

E.O. 12958: N/A
TAGS: [CASC](#) [EINV](#) [KIDE](#) [OPIC](#) [PGOV](#) [XL](#)
SUBJECT: EXPROPRIATION - ST. LUCIA

REF: STATE 049477

¶1. (SBU) St. Lucia has one outstanding expropriation case.

Claimant Designation

¶2. (U) Claimants A through F.

Date of Expropriation

¶3. (U) The initial expropriation occurred in May 2008. The title of the land formally passed to the Government of St. Lucia in January 2009.

CASE HISTORY

¶4. (SBU) The expropriation concerns 230 acres of land on the west coast of St. Lucia just south of the town of Anse La Raye. The land has a small beach, but is primarily mountainous, with some swampland adjacent to the waterfront. This land was purchased over 50 years ago by a consortium of American investors. Recently, the group made a contribution of 176 acres of land that has historic significance for St. Lucia to the National Trust. Brigand Hill, a small hotel of about five rooms is owned by Claimant A, as the land was split off prior to the current dispute, and is not included in the expropriation.

¶5. (SBU) The problems for the consortium started when a group of minority investors, claimants E and F, took legal action to address perceived wrongdoings. The issues are currently being handled in court, and the pending legal action prevented the land from being sold or developed. The government has used this inaction to claim that the land was being left idle. The public remarks concerning the land claim that it will be used for low income housing, despite the geography of the territory making it ill suited for such a development. In addition, the presence of poisonous snakes and the lack of clean water or access to the electrical grid make development problematic.

¶6. (SBU) The majority claimants (A,B,C,D) have contacted the St. Lucia Government and the U.S. Embassy to push their case. A letter from the Ambassador was sent to the Prime Minister to encourage an expeditious and adequate settlement on 20 October 2008. During the St. Lucia National Independence Day celebrations on 22 February 2009, the Charge d'Affaires raised the issue with the PM, who gave his verbal assurance that the matter was being reversed, and that the

expropriation of the land was in error. A letter confirming this conversation was sent to the PM on 27 February 2009, but the Embassy has received no response despite numerous calls. According to the local lawyers involved, the expropriation is continuing, despite the statement from the PM. Contacts have informed poloffs that the PM lacks control of his cabinet and is being fed incorrect information by select Ministers. The people involved in this case are Richard Frederick, Minister of Housing, and Keith Mondesir, Minister of Health and also the Parliamentary representative for this district.

17. (SBU) The value of the property is a point of contention. The claimants have an offer for the land in the range of 2.4 million USD. They believe that the land is worth considerably more, and that the drop in value is due to the global recession. The value of the donated land was estimated at 12 million USD, which allowed for a considerable U.S. tax deduction, but it is unlikely that the land would have received anywhere near that amount on the open market. The land is scenic, but the small beachfront makes a tourist hotel problematic, and without a tourist appeal, the value is much lower. In case of a settlement, the government is required to pay a fair amount, but the claimants fear that any amount would be considerably less than open market value, and in any case would require a long wait for any money to trickle in.

18. (SBU) Poloff attended a court case and visited the property on 20 May 2009. Poloff is in regular contact with the majority claimants about their case, and has met the minority shareholders. On the 15th of July, 2009, a final ruling on the shareholder list is scheduled, which would end

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the dispute among the shareholders, leaving the expropriation as the only remaining hurdle. A liquidator has been appointed by the court to pay the debt of the company and is exploring ways to sell the land or get a fair settlement from the government.

19. (SBU) All claimants are U.S. citizens.

Claimant A : Michael Seely
Claimant B : Joe Poindexter
Claimant C : Barry Romeril
Claimant D : Carrol Cavanagh
Claimant E : David Bickford
Claimant F : James Curry
HARDT